

Written by 18 August 2025

Business News England

Welcome to our round-up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

Seven Things Every Company Director Needs to Know

Becoming a company director comes with a fair bit of responsibility - and not just when things are going well. Whether you're the hands-on type, more of a silent partner, or even directing behind the scenes, all company directors have legal duties under the Companies Act 2006.

Here's a straightforward look at seven key duties every director should be aware of:

1. Follow the company's constitution

Your first duty is to stick to the rules set out in the company's constitution and articles of association. These documents outline how the company should be run and what powers you have as a director. If you go outside those powers, you could be held personally responsible.

2. Promote the success of the company

You're expected to act in the company's best interests and promote its success. But that doesn't just mean chasing profits. You also need to think about:

- Long-term consequences of decisions.
- The interests of employees.
- Relationships with suppliers and customers.
- The community and environment.
- The company's reputation.
- Fairness to all shareholders or members.

And if the company becomes insolvent? Your focus legally shifts to protecting the interests of creditors.

3. Use your own independent judgment

It's fine to take advice, but at the end of the day, you're responsible for the decisions you make. You must use your own judgment and avoid simply doing what someone else tells you - even if they're another director or major shareholder.

4. Exercise reasonable care, skill and diligence

You're expected to do the job to the best of your ability. The law takes into account your personal knowledge and experience. So, if you're a qualified professional (like an accountant or engineer), you'll be expected to apply the skill and experience you have in your role as a director.

5. Avoid conflicts of interest

You need to steer clear of situations where your personal interests (or those of family members) might clash with your responsibilities to the company. This includes things like:

- Personal financial interests.
- Competing businesses.
- Inside knowledge you gained as a director.

If there's even a chance of a conflict, it should be declared to the board - and any process set out in the company's articles of association should be followed. This duty even continues after you've stepped down as a director.

6. Don't accept benefits from third parties

You mustn't accept perks or gifts from others that could influence your decisions as a director. The only exception might be something like reasonable corporate hospitality, and even then, only if there's clearly no conflict of interest.

7. Declare any interest in company transactions

If there's a chance you could personally benefit from something the company is doing (say, awarding a contract to a business owned by a relative), you must declare it. Letting the board know is essential, and in some cases, you may need to step back from decisions altogether.

Anything else?

There are other general duties to keep in mind besides those listed above. Maintaining confidentiality, not misusing company property, and always acting in good faith would be some further examples.

Being a director isn't just about a title - it carries real legal responsibilities. If you're ever unsure about your role or what's expected of you, please feel free to speak to us at any time. A quick check now could save a big headache later.

Making Tax Digital for Income Tax – Are You Ready?

The government is pressing ahead with Making Tax Digital (MTD) for Income Tax - and it will affect many sole traders and landlords over the next few years.

Here's what's changing, when it's changing, and how to get ready.

What is MTD for Income Tax?

Under MTD, sole traders and landlords whose "qualifying income" is above a certain level will need to:

- Keep digital business records.
- Use HMRC-approved software to send quarterly updates.
- Submit an annual final declaration.

“Qualifying income” basically refers to your total gross income from self-employment and property in a tax year, before expenses.

Who Will Be Affected and When?

HMRC have released statistics showing how many will be impacted by the introduction of MTD. Their figures are based on the 2023 to 2024 tax year.

The rollout is happening in stages, as follows:

Qualifying Income	When MTD Becomes Mandatory	Number of People Affected
Over £50,000	6 April 2026	Around 864,000
£30,000 – £50,000	6 April 2027	Around 1,077,000
£20,000 – £30,000	6 April 2028	Around 975,000

In total, about 2.9 million individuals will eventually need to follow the MTD rules.

Are You Ready?

The requirement to send quarterly updates means that you will need to keep up to date with your bookkeeping. Doing it all after the year-end will no longer be an option.

The need to use software will also mean that keeping paper records of your income and expenses will no longer be sufficient.

HMRC’s latest figures show that software use is common but not universal:

- Over £50,000 income: 63% already use commercial software.
- £30,000–£50,000 income: 49% use software.
- £20,000–£30,000 income: 48% use software.

What You Need to Do Now

1. Check your qualifying income - add up your total gross self-employment and property income for the year.
2. Review your record-keeping - paper records won’t be allowed.
3. Consider software options - cloud accounting tools make quarterly submissions easier and keep you compliant.

Don’t wait until the deadline. Switching to digital record-keeping now means you can get comfortable with the software and avoid last-minute headaches.

If you’d like some personalised advice, please get in touch with us. We can help you choose the right software and show you how to use it. If you’d prefer to stay away from software altogether, we can also provide a bookkeeping service.

Whatever the case, we’ll work with you to make the transition smooth and stress-free so when MTD arrives, you’re already ahead of the game.

See: <https://www.gov.uk/government/statistics/making-tax-digital-for-income-tax-business-population-statistics/making-tax-digital-for-income-tax-business-population-statistics-commentary>

UK Labour Market Shows Gradual Cooling

The latest figures from the Office for National Statistics (ONS) indicate that the UK labour market is continuing to ease, although the slowdown remains measured rather than abrupt.

Vacancies fell by 5.8% to 718,000 in the three months to July 2025, the lowest level since April 2021 when the economy was still affected by the Covid-19 pandemic. Outside of the pandemic period, vacancy numbers have not been this low since early 2015. The fall was broad-based across sectors, with hospitality and retail seeing the largest reductions.

Payroll data showed 8,000 fewer people in employment between June and July. However, the unemployment rate remained unchanged at 4.7% and redundancy notifications in July were relatively subdued, suggesting a gradual cooling rather than a sharp deterioration.

Former Bank of England policymaker Andrew Sentence noted that with more than 30 million people currently on payrolls, recent changes represent a modest proportion of the workforce. Ashley Webb, UK economist at Capital Economics, suggested that the modest fall in payrolls indicates that the impact of recent increases in employers' national insurance and the minimum wage is beginning to settle.

Political reactions to the data were divided. Chancellor Rachel Reeves described elements of the figures as positive but acknowledged the need to further reduce unemployment, which remains at a four-year high. Opposition parties criticised the government's approach, citing higher taxes and increased regulation as barriers to job creation.

Looking ahead, analysts suggest that the decline in vacancies could contribute to slower wage growth, currently steady at 5%. This is one of the indicators the Bank of England considers as it assesses inflationary pressures when setting the Bank's base rate. Therefore, wage growth slowing could lead to further interest rate cuts.

In summary, the data suggests that there's a measured cooling of the labour market, with employers showing greater caution in recruitment.

See: <https://www.bbc.co.uk/news/articles/cpdjip681p7o>

PackUK Confirms 2025 Packaging Fees and Sets Out Three-Year Recyclability Plan

If your business sells goods in packaging - whether that's cardboard boxes, bottles, jars or plastic wrap - there's an important update you should know about.

PackUK (the body running the UK's Extended Producer Responsibility for packaging, or pEPR scheme) has confirmed the 2025 base fees for the scheme. It has also set out a new three-year plan for how fees will change from 2026, depending on how recyclable your packaging is.

Let's break down what this means.

What is pEPR?

pEPR is a government scheme where the businesses that make or use packaging (called "producers") help pay for the cost of collecting and recycling it. The more packaging you put on the market, and the harder it is to recycle, the more you pay.

2025 Fees Confirmed

The 2025 fees published by PackUK will be used for the first invoices in October 2025.

The good news is that most fees are less than was indicated last December. For example, glass is down by about 20%.

How Fees Are Worked Out

For 2025, fees are based on:

- The packaging tonnage reported by producers for 2024'
- Local authority waste management costs.

What's Changing From 2026?

From the 2026–27 year onwards, fees will be adjusted depending on how recyclable your packaging is.

In short:

- Green-rated (highly recyclable) packaging = steadily decreasing fees.
- Red-rated (poorly recyclable) packaging = progressively higher fees.
- Medical packaging gets some exceptions due to safety rules.

The difference isn't small - red-rated packaging could cost you double by 2028–29 compared to now. This gives businesses a financial reason to switch to greener options.

Why This Matters

Even if you're not producing huge amounts of packaging, these rules may still affect your costs - and your customers may ask more questions about your sustainability practices. So, it may be a good time to:

1. Review what packaging you use.
2. Check how recyclable it is.
3. Start planning any changes before the higher fees kick in.

For more details, see: <https://www.gov.uk/government/news/extended-producer-responsibility-for-packaging-announcements#full-publication-update-history>

Online Marketplaces Will Now Contribute to Electrical Waste Recycling

New regulations have come into force that require online marketplaces - such as those hosting overseas sellers - to bear their share of the costs for managing and recycling waste electrical items like washing machines, radios and vacuum cleaners. Until now, UK-based firms had carried the financial burden of disposal and recycling, putting them at a disadvantage compared to foreign competitors operating on these platforms.

Under the new system, these platforms must register with the Environment Agency and report data on sales made by their overseas sellers in the UK to determine their financial contributions. The resulting funds are intended to support local waste collection services, recycling infrastructure, and the broader shift toward a circular economy.

A noteworthy element of the new requirements is the introduction of a dedicated electrical waste category for vapes, recognising their unique waste profile and ensuring that producers cover disposal and recycling costs.

See: <https://www.gov.uk/government/news/uk-businesses-to-benefit-as-online-platforms-pay-their-fair-share-to-recycle-electrical-waste>

Electric Car Grant Expanded: More Car Models Now Included

The government's Electric Car Grant (ECG) is now up and running, with more vehicle models eligible for discounts. Initially launched in July, the £650 million scheme offers savings on new electric cars priced at or below £37,000. The discount is either £3,750 or £1,500, depending on the vehicle's sustainability and is applied directly at the point of sale, with no paperwork required from customers.

The grant aims to make electric vehicles (EVs) more affordable by reducing the upfront purchase price and narrowing the cost gap with petrol and diesel models. This is part of the government's broader commitment to phase out the sale of new petrol and diesel cars by 2030.

From 9 August 2025, the scheme was expanded to include thirteen more EVs, bringing the total to seventeen models. Brands now on the list include Nissan, Renault, Vauxhall and Citroën, with more expected in the coming weeks as manufacturers' applications are approved.

Alongside the £650 million in grant funding, the government is investing £4.5 billion to accelerate EV adoption, with Britain already the largest EV market in Europe in 2024 and sales up by almost a third this year.

Tax Advantages of Electric Company Cars

Despite the grant, electric cars are still generally more expensive than petrol or diesel cars. However, for businesses and employees, EVs can also be worth considering because of the tax savings they bring when provided as a company car.

- Benefit-In-Kind (BIK) rates for fully electric company cars are currently much lower than for petrol or diesel vehicles. For 2025/26, the BIK rate for zero-emission cars is 3% of the car's list price, compared to rates often exceeding 20% for conventional vehicles.
- Employers may also benefit from capital allowances - in some cases, qualifying new zero-emission cars can attract a 100% first-year allowance, meaning the full cost of the vehicle can be written off against taxable profits in the year of purchase.
- There are further potential savings on Class 1A National Insurance contributions for employers, as these are based on the BIK value.

If you would like help assessing whether an electric car purchase would benefit you or your business, please give us a call. We would be happy to help you!

See: <https://www.gov.uk/government/news/electric-car-prices-slashed-as-grant-scheme-expands-to-13-more-models>